STATE BOARD FOR COMMUNITY COLLEGES AND OCCUPATIONAL EDUCATION
October 9, 2024

TOPIC: Colorado Community College System (CCCS) Risk Assessment Update

PRESENTED BY: Danielle Bundy, CCCS Director of Internal Audit

RELATIONSHIP TO THE STRATEGIC PLAN: All Aspects

EXPLANATION:

Risk Assessment Overview
Annually, CCCS updates this risk assessment to capture any new key risks and update risk mitigation plans to reflect progress made and to document new activities. This completes the ninth system-wide risk assessment process with results reported to the Board. As part of this update, functional groups across the System were given the opportunity to add, reprioritize, and reword risks. In addition, the Strategic Oversight Committee (comprised of the Chancellor, four college presidents, and executive staff) as well as the Audit Committee reviewed these risks. The Board should consider the 2024 risks when finalizing the Strategic Plan for 2025 – 2030. Overall, the risks identified in 2024 aligned with the risks presented to the Board in December 2023; however, there were some enhancements to previously identified risks and additional focus on certain risks.

Updates to 2023 Risks
The risks identified in the 2024 risk assessment are included in the attached 2024 Risk Assessment to Strategic Plan Key Performance Measure Map. Risks shaded yellow with an asterisk (*) were updated or changed from the 2023 risks.

The following risk was removed from the "Failure to adapt to the Changing Higher Education Model" risks presented to the Board in December 2023 as it was covered by other top risks.

- Risk of resource limitations, organizational structures and cultures affecting our ability to effectively design, deliver, and maintain programs through multiple modalities that meet changing employer and student needs and preferences.

Several 2023 risks were updated as highlighted in the Updates to 2023 Risks Appendix. Updates were made to clarify and simplify risks and emphasize operational challenges with administering funding when received.

Most Significant Risks
During the 2024 risk assessment, the Strategic Oversight Committee identified the most significant risks facing the Colorado Community College System. The most significant risks identified are included in the attached 2024 Risk Assessment to Strategic Plan Key Performance Measure Map. The most significant risks are bold and include a hat (^) symbol. The risks are summarized below.

- **Dynamic Environment**
  - Risk of the ability to successfully implement and then sustain key strategic initiatives that target uncertainties and changes related to student and employee demographics and expectations.

  - Difficulty sustaining effective operations due to ongoing social change and political polarization coupled with a decline in public confidence and trust in higher education.

  - Risk of cybersecurity attacks (e.g., ransomware, denial of service, phishing).

- **Constrained Resources Coupled with Increasing Regulatory Requirements**
  - Risk that current staffing levels will not support the increasing demands of the volume of work and that the System and colleges will not have financial capacity to staff appropriately and be proactive.

  - Risk of inability to meet expectations of stakeholders and unintended consequences of legislation.

- **State Funding**
  - Risk of insufficient and variable state and tuition funds to fulfill and sustain our mission.

- **Demographic Shift Leading to Increased Competition**
  - Risk of increased competition, reduced public confidence, and decreased participation of high school graduates requiring highly efficient enrollment and marketing strategies to optimize and sustain enrollment, increase participation rates, and ensure the enduring sustainability of institutions.

- **Personnel**
  - Risk of insufficient pay and benefit packages to retain well-trained and high performing employees and attract quality applicants, including diverse applicants, due to a tight labor market, compression, and competition with private sector and other institutions of higher education.

Updates to 2023 Risk Mitigation Plans

Each of the risks were previously mapped to strategic plan key performance measures or a risk mitigation plan. The light blue shaded risks in the attached 2024 Risk Assessment to Strategic Plan Key Performance Measure Map were mapped to one or more strategic plan key performance metrics. The specific key performance metric is listed in the "Strat Plan Mapping" column. The risks highlighted in pink were addressed through risk mitigation plans.

There are currently four risk mitigation plans:
- Safety and Security
- Financial Aid
- Compliance with Program and Regulatory Requirements
- Information Security

Progress on each of the four risk mitigation plans was assessed during the annual risk assessment, and plans were updated to reflect new and completed activities. The 2024 Risk Mitigation Plan Highlights Appendix includes details about each risk mitigation plan. The Safety and Security Plan includes physical security reviews, bleeding control, and active shooter training. Financial Aid added a position to better support the colleges and has developed reports and is evaluating vendors to detect potentially fraudulent student financial aid applications. CCCS continues to improve digital accessibility of online courses and Internal Audit is performing grant management audits. Lastly, in Information Security, updates have been made to policies and procedures for management of information and a plan is in place for automating termination of access for employees.

RECOMMENDATION:
This is an annual report to the Board and does not require Board action.

Attachments:
1. CCCS 2024 Risk Assessment Document mapped to KPM
2. CCCS 2023 Risk Assessment Document mapped to KPM
3. Updates to 2023 Risks Appendix
4. 2024 Risk Mitigation Plan Highlights Appendix